

THE URBAN INSTITUTE

2100 M STREET, NW WASHINGTON, DC 20037

Maria A. Stern

Senior Contract Administrator

Direct Dial: (202) 261-5396

FAX: (202) 728-0231

MAndrade@ui.urban.org

January 13, 2003

Mr. Gerald Barth
CTO
USAID/Paraguay
Juan de Salazar 364
Asunción, Paraguay

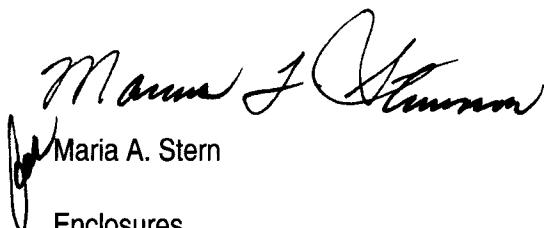
RE: Contract No. LAG-I-02-99-00036-00, Task Order 801
UI Project 06967-003, Paraguay More Effective and Accountable Local Government
Quarterly Task Order Progress and Cost Report, October to December 2002

Dear Mr. Barth:

Please find enclosed the *Quarterly Task Order Progress and Cost Report, October to December, Paraguay More Effective and Accountable Local Government* as required under Section F.12 of the above referenced contract.

Please direct any technical questions to Walter Galindo, Chief of Party (Chemonics International) at 595-21-226-548-204-033. Questions of a contractual nature should be addressed to me at 202-261-5396.

Sincerely,



Maria A. Stern

Enclosures

cc: Jeff Boyer (USAID/Washington)
Walter Galindo (CoP/Paraguay)
USAID Development Clearinghouse
IAC Deliverables File (06967-003)

**QUARTERLY TASK ORDER
PROGRESS AND COST
REPORT**

October to December 2002

**PARAGUAY: MORE
EFFECTIVE AND
ACCOUNTABLE LOCAL
GOVERNMENT**

Prepared for



Paraguay More Effective and Accountable Local Government
United States Agency for International Development
Contract No. LAG-I-02-99-00036-00, DO No. 801

Prepared by

Mr. Walter Galindo
Chemonics
(under sub-contract to UI)



THE URBAN INSTITUTE
2100 M Street, NW
Washington, DC 20037
(202) 833-7200
www.urban.org

January 2003
UI Project 06967-003

QUARTERLY TASK ORDER PROGRESS AND COST REPORT

OCTOBER TO DECEMBER 2002

PARAGUAY: MORE EFFECTIVE AND ACCOUNTABLE LOCAL GOVERNMENT

Task Order No.: LAG-I-00-99-00036-00, TO No. 801

Date of Issuance: September 2000

Amount Obligated Under Task Order: \$ 1,753,777

Total Potential Task Order Amount: \$ 1,753,777

Dollars Expended To-date: \$ 1,583,490

Task Order Description

In September 2000, UI signed a two-year contract with United States Agency for International Development (USAID) to provide capacity building and technical assistance to local governments in Paraguay. The project was granted a 3-month extension in December, 2002; the new end date is March 30, 2003.

Under subcontract to the Urban Institute (UI), Chemonics is managing this Task Order to identify 10 new small-to-medium scale pilot public service projects in 4 departments and approximately 20 municipalities in Paraguay. The project is strengthening the capacity of participating municipalities and non-governmental organizations (NGOs) to design, deliver and manage viable service delivery projects and mechanisms. We are also providing technical assistance in participatory tools to define strategic/priority projects, identifying funding alternatives; strengthening the public-private service delivery options; basic financial planning; transparent decision making, project and municipal finance, and associated legal issues.

Summary

Ten results/tasks were completed during this quarter. Six results are pending and five will be completed during the 2 month no cost extension. The inauguration of 8 public services was highly gratifying. The inaugurations received a lot of attention and several articles were published in newspapers. In addition, we held six regional workshops to disseminate the results of the project. The workshops were well attended and as expected generated considerable demand for the type of services the project provides. This demand will be channeled to the successor activities to this project.

2001 Workplan

The bridge of Villa Elisa was finally completed and inaugurated on October 13, 2002. This was quite an accomplishment for the municipalities involved and the project. The bridge was highlighted in the local press noting the impact that it will have on the communities linked by the bridge.

Of the 8 2001 results, one will not be completed. The project to build a sanitary landfill in San Jose de Los Arroyos suffered further delays when the second selected site was determined to be inappropriate for environmental reasons. This communities involved have been unable to reach agreement on a site and it is unlikely that they will do so in the time remaining in the project. Thus, this result will remain incomplete.

2002 Work Plan

Seven results and two tasks from the 2002 workplan were completed. These include important projects, such as the Central Road maintenance project in ITA, the replication of landfills in the Chaco department and the completion of the software package to improve the cadastre system and thus increase revenue collection in the municipality of Ita.

Six results are still pending. Of the six, sanitary landfill of Fuerte Olimpo is unlikely to be completed due to delays caused by the rainy season. This result will remain incomplete, bringing the total of incomplete results to two over the life of the contract.

Discounting the two results that will remain incomplete by the time the contract ends in March 2003, the project will have delivered 18 public service projects and completed six tasks.

Key Personnel

Mr. Walter Galindo, CoP, Chemonics/Paraguay, (under sub-contract to UI) wgalindo@chemonics.net, 595-21-226-548-204-033.

ATTACHMENTS

- **Charts:**
2001 Results
2002 Results
2002 Tasks
- **Cost Report**

Fourth Quarterly Report, 2002
2001 and 2002 RESULTS

The status of all results and tasks for the years 2001 and 2002 are included.

Workplan 2001

2001 Result 1: Bridge between Villa Elisa and Nemby

Completed

Inauguration October 13, 2002

Duration: 18 months

Cost: Gs. 125,000,000

Beneficiaries: 12,000

The inauguration of the bridge was highlighted in the local press. Ultima hora called it the bridge of Hope because of the anticipated impact on the two communities linked by the bridge. The design and construction took longer than expected, but it was a remarkable effort by the municipalities involved which found and used the resources needed to build the bridge.

2001 Result 2: Limpio Municipality Sewage Service Extension to Dorado and Portal

Completed the design phase.

The SUM IQC Project completed in 2001 the technical studies and design of the sewage system, the financial projections and the environmental certification questionnaire. The project was transferred to Chemonics Municipal Finance Project, which is seeking financing.

2001 Result 3: Tobati Sanitary Landfill

Completed

Service inaugurated on 6/8/2002

Duration: 11 months

Cost Gs 46,000,000

Beneficiaries: 11,000

Converted a trash dump into a certified sanitary landfill. The project provided technical assistance to: finalize design of the project and develop implementation plan; carry out environmental impact assessment and obtain the required environmental approval and certification; and train sanitary landfill workers.

Construction and environmental certification completed. Service inaugurated 6/8/2002. We continue to monitor the project and provide technical assistance in sustainability issues.

2001 Result 4: San José de los Arroyos Sanitary Landfill Conversion

Not completed

After long delays, the first site selected for the sanitary land fill was rejected by the community shortly before construction was to begin. A new site was sought and selected. Unfortunately, it did not meet the environmental standards and was denied permit. Given the difficulty of identifying an acceptable site, it is clear that this project will not be completed in the time remaining in the project.

2001 Result 5: Mariscal Estigarribia(Chaco) Sanitary Landfill

Completed

Service Inaugurated: November 20, 2001

Duration: 5 months

Costs Gs: 13,000,000

Beneficiaries: 3,250

Completion of Paraguay's first ever certified sanitary landfill. Inaugurated on November 20, 2001 with the attendance of the US Ambassador, USAID Mission Director, and the Minister of the Environment, who presented the Environmental certification to Mayor Roque Zábaráa.

2001 Result 6: San Ignacio de Misiones Slaughterhouse Solid Waste Treatment Plant

Completed

Constructed a treatment plant for the solid waste produced by a slaughterhouse in San Ignacio de Misiones. The project provided

Service inaugurated: 6/13/02 Duration: 12 months Cost: Gs 90,000 Beneficiaries: 8,400	technical assistance to: carry out an environmental impact assessment; select the appropriate technology for the plant; ensure that required environmental approvals and certification were obtained; conduct environmental monitoring during construction of the plant. Environmental Affairs Secretary certification was presented at the plant's inauguration on 6/13/02.
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2001 Result 7: Alternative Financing for the Limpio Wastewater project.

Completed Alternative Financing for the Limpio Wastewater Project. Assessment and proposal. See result 2	This assessment and proposal were completed in September 2001. These tasks complemented Result 2 above. The municipality failed to qualify for credit because of past credit history.
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2001 Result 8: Decentralization Platform and Proposal

Completed September/October 2001	The platform and proposal was developed in a participatory manner and has had significant impact at the local and national level. Final presentation October 2001. Was suggested that the report be presented at the Mercosur governors' meeting in November 2001. The proposal was published and distributed widely.
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WORKPLAN 2002

2002 Result 9: Municipality of San Miguel, Misiones Department, Sanitary Landfill

Completed Service inaugurated: November 28, 2002 Duration: 4 months Cost Gs: 15,000,000 Beneficiaries: 1,230	The site was inaugurated on November 28. This is one of the projects that resulted from the cooperation of the Governor and the mayors of the municipalities.
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2002 Result 10: Municipality of Santiago, Misiones Department, Sanitary Landfill

Completed Service inaugurated: November 28, 2002 Duration: 4 months Cost Gs: 15,000,000 Beneficiaries: 2,704	Same as above
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2002 Result 11: Municipality of Santa Maria, Misiones Department, Sanitary Landfill

Target Accomplishments	Progress Towards Accomplishments	Projected Accomplishments for Next Quarter
Pending	Construction is underway. Delays due to rain.	Completion and inauguration with required environmental certification expected in late February 2003.

2002 Result 12: Municipality of Villa Florida, Misiones Department, Sanitary Landfill

Target Accomplishments	Progress Towards Accomplishments	Projected Accomplishments for Next Quarter
Pending	Construction is underway. Delays due to rain.	Completion and inauguration with required environmental certification expected in late

		February 2003.
2002 Result 13: Municipalities of San Ignacio, San Juan, Santa Rosa, Misiones Department, Inter-Municipal Sanitary Landfill		
Target Accomplishments	Progress Towards Accomplishments	Projected Accomplishments for Next Quarter
Pending, Final Design Completed.	Final design is concluded. Construction is underway. Completion and inauguration with required environmental certification expected in late February 2003.	
2002 Result 14: Municipality of Ayolas, Misiones Department, Sanitary Landfill		
Target Accomplishments	Progress Towards Accomplishments	Projected Accomplishments for Next Quarter
1. Ayolas Pending. 2. Yabebery Pending 3. San Patricio Pending	1. Ayolas: Survey and tests concluded. Construction has begun. Inauguration expected in February 2003. 2. and 3. Yabebery and San Patricio: Instead of building their own sites, both municipalities which are very poor are negotiating the use of a nearby certified landfill. Project trained Promotores are leading the effort.	
2002 Result 15: Ita de Central Rural Road Maintenance		
Target Accomplishments	Description	
Completed	Press coverage emphasized the importance of roads in connecting horticultural production areas and the market of Asuncion. This is an important project. It has demonstrated that local government can play a critical role in the maintenance of rural roads.	
Service Inaugurated: October 30, 2002 Duration: 8 months Cost Gs: 372,645,000 Beneficiaries: 22,000		
2002 Result 16: Quilindí de Paraguari Rural Road Maintenance		
Target Accomplishments	Progress Towards Accomplishments	Projected Accomplishments for Next Quarter
Construction awaiting availability of heavy machinery		Finalize construction before February 28 2003.
Start environmental certification process	In progress	Obtain environmental certification
Final design	Completed	
2002 Result 17: Municipality of Concepción Sanitary land fill *This result replaces 2002 Task 2 (see below) per discussion with USAID and approved in the First QR(2002)		
Completed	This result substituted 2002 Task 2 (below) which given the financial situation of the country proved impossible to carry out.	
Service Inaugurated: December 6, 2002 Duration: 5 months Cost Gs: 70,000,000 Beneficiaries: 35,276		
2002 Result 18: Municipality of Atyrá de Cordillera Sanitary Landfill		
Target Accomplishments	Description	

Completed	The environmental certification was presented by a representative of the Environmental Secretariat during the inauguration ceremony.
Service Inaugurated November 27, 2002 Duration 4 months Cost Gs: 20,000,000 Beneficiaries: 4,119	

Completed	Third sanitary landfill in the department.
Service Inaugurated December 12, 2002 Duration: 4 months Cost Gs: 30,000,000 Beneficiaries: 7,355	

Completed	It is unlikely to be completed in the time remaining in the project due to the difficulty of reaching it during the raining season.
Not completed	Weather conditions have made it impossible to carry out survey work needed to develop the technical plan.

2002 Tasks

Completed	This is an important product which will hopefully be disseminated to other municipalities by successor projects.
December 17 Duration: 6 months Cost Gs: 100,000,000 Beneficiaries: 30,000	

Completed	Progress Towards Accomplishments
NA	Despite intense searching, we could not find a supplier or private company willing to work with Municipalities. Given the financial situation of the country and of the municipal governments, it is unlikely that this type of financing will be feasible in the foreseeable future

Completed	Workshop completed in previous quarter, which led to the Misiones Sanitary Landfills projects - Result 1.
3.1 Workshop #1	See 2002 Results 9 to 14
Completed	NA
3.2 Workshop #2	This task was completed with our participation in seven regional seminars under the auspices of USAID, GTZ and

	UNDP.
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2002 Task 4: Dissemination Guide to Financing, Building and Operating a Landfill

Completed.
Dissemination of the Guide to Financing, Building and Operating a Landfill

This task was completed in the first quarter of 2002. Distribution continues.

2002 Task 5: Replication for Four Landfills in El Chaco, Boquerón Department

Completed.

Three landfills were inaugurated on December 18
Duration: 5 months
Cost Gs: 9,850,000
Beneficiaries: 2,000

The Governors and municipalities decided only to pursue 3 of the 4 proposed landfills.
1) Villa Choferes: Inaugurated December 18
2) Villa Boquerón: Inaugurated December 18
3) Macharely: Inaugurated December 18. Sanitary landfills were built for each extended family group avoiding the cost of transportation to a central site and respecting the cultural preferences of the Indigenous population of this region.

2002 Task 6: Guidelines for the Dissemination of New Public Services

Completed.

The Guidelines were published in November and six regional workshops were held during December to present and discuss our experience. The workshops generated over 80 requests for technical assistance.

2002 Task 7: Follow-up on Sustainability of Projects

7.1 Periodic visits by technical supervisor Regular visits to all client municipalities.

Activity continued.